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Filed Dec. 26, 1900.

Supreme Court of the United States.

OCTOBER TERM, A. D. 1900.

No. 121.

ELGIN NATIONAL WATCH COMPANY,
Appellant,

vs.

ILLINOIS WATCH CASE COMPANY, THOMAS W. DUNCAN AND MEYER ABRAHAM,
Appellees.

ORAL ARGUMENT OF MR. LYSANDER HILL ON BEHALF OF APPELLANT.

DECEMBER 5th AND 6th, 1900.

EASTMAN BROS., LAW PRINTERS, 255 DEARBORN ST., CHICAGO.

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Mr. Hill said:

This suit was brought in 1896 in the Circuit Court of the United States for the Northern District of Illinois, to establish the exclusive right of the plaintiff to the use of the word Elgin as a trade-mark for its watches.

It adopted this trade-mark in 1865, upon the very first watches which it manufactured and put upon the market for sale; and from that time to the present moment it has continuously employed the word as a trade-mark for its watches upon the entire product of its factories.

In 1876 it registered this trade-mark under the provisions of the Act of 1870. This court, having thereafter held the provisions of said act, so far as they related to trade-marks, unconstitutional and void, Congress, on

March 3rd, 1881, passed another act to take its place; and the plaintiff registered said trade-mark under the provisions of the new act. There being a mistake in this latter registration, the mark was afterwards reregistered to correct the error.

Both parties to this suit are Illinois corporations; the federal jurisdiction, therefore, depends not upon diverse citizenship, but upon the provisions of the Act of March 3rd, 1881, authorizing the registration of trade-marks and giving the Federal courts jurisdiction over registered marks.

In the Circuit Court, Judge Showalter, one of the ablest trade-mark lawyers in the country, after careful investigation of the case, held the trade-mark valid and infringed. The Circuit Court of Appeals, upon defendants' appeal, reversed Judge Showalter's decision and directed the bill to be dismissed. We are here on appeal from the decree of the Circuit Court of Appeals.

In rendering its decision, the Circuit Court of Appeals raised the question of the constitutionality of the Act of March 3rd, 1881, a question not raised or discussed in the court below nor in the Court of Appeals. The judges did not directly hold in plain words that the act is unconstitutional, but they assumed that it is not to be accepted as constitutional, and based their judgment upon this assumption, saying (Tr., p. 265), that the jurisdiction of the Federal courts in a suit of this kind "*is of so doubtful a nature and so limited in extent and under an act of doubtful constitutionality, that we must decline to exercise it.*" Elsewhere in the opinion (Tr., p. 263), they say: "There has been no ruling upon the constitutionality of this act, *and it need only be said that its validity is fairly doubtful.*" And they conclude their opinion with the statement: "It

is therefore not becoming, as we think, to assume a doubtful jurisdiction under a statute of doubtful validity."

I call the attention of this court to the fact that the Circuit Court of Appeals appears to have entirely forgotten the familiar rule of law whereby a solemn act of the legislature is not pronounced unconstitutional upon a mere doubt, but only where its unconstitutionality is clear and unquestionable.

Under the assignment of errors in this case there are four main questions to be discussed and decided, to wit:

1. Is the Trade-Mark Act of March 3rd, 1881, constitutional?

2. In view of the proofs of this cause, was the word "Elgin" lawfully registrable by the appellant (complainant) as a trade-mark for its watches?

3. In view of the proofs of this cause, were the appellees, by using on their watch-cases the word "Elgin" as a prominent and conspicuous feature of their own alleged trade-mark, guilty of infringing the rights of the appellant?

4. Assuming that the appellees were guilty of infringement, as aforesaid, is the appellant entitled to recover from them for their use of said trade-mark on goods sold in this country, as well as on those sold abroad?

I should like to discuss orally all these four questions, but time will not permit me to do so. I shall, therefore, omit any oral discussion of the question of the constitutionality of the act, and, with the permission of the court, will submit that question upon my printed brief and argument, where it will be found fully treated in the first part of the brief, commencing on page 4 and ending on page 21. I shall also submit on printed brief and argument the discussion of another legal question, namely, that which I have numbered as the fourth question, in my statement of the

four main points which are to be argued. This question is discussed under the heading "Infringement—Part II" in the latter part of my printed brief, commencing on page 79 and ending on page 95. The question arises under the phraseology of the Act of March 3rd, 1881. That act stated, in terms, that the infringement of a registered trade-mark consists in reproducing, counterfeiting, copying or colorably imitating any trade-mark registered under that act, and affixing it to merchandise of substantially the same descriptive properties as those described in the registration. If interpreted as its words plainly imply, it renders the defendants liable for the use of our trade-mark on goods entering into domestic commerce as well as those entering into foreign commerce. I have discussed the whole matter carefully and fully in the printed brief, and shall not have time to consider it further here in the oral argument.

I am satisfied that after consideration your Honors will come to the conclusion, if you have not already heretofore arrived at that conclusion, that the constitution has conferred upon Congress ample power to legislate with respect *to all kinds* of commercial marks used upon goods which enter into commerce with foreign nations or with the Indian tribes.

The first question that arises, therefore, is how, and to what extent, has Congress in the Act of March 3, 1881, exercised the power thus conferred upon it. An examination of the act shows that Congress has not attempted to legislate with respect to all kinds of commercial marks used in such commerce, but has confined itself to one class of marks, namely, trade-marks—and has not given us its definition of the term "trade-mark."

Inasmuch as the controversy here is over the right to use the word "Elgin" as a trade-mark for watches, and in-

asmuch as this right is disputed by my learned friend who represents the appellees on the ground that the word "Elgin" cannot become a lawful trade-mark, it becomes, for jurisdictional purposes, necessary to inquire into the character and legal definition of the term "trade-mark," and to determine exactly what it is that distinguishes trade-marks from all other commercial marks.

At the outset of this inquiry we are met with a difficulty. We find two classes of marks or devices used upon commercial goods for substantially the same purpose, namely, to identify with the goods the reputation of their producer, and in order that the public may be able to distinguish between the goods of that producer and the goods of others. Marks or devices belonging to one of these classes are protectible on the ground of trade-mark; those belonging to the other class are protectible not on the ground of trade-mark, but under the general equity powers of the courts for the prevention of unfair competition in business. To add to the difficulty, both classes are protectible only on the ground of unfair competition in business. For, of *trade-marks*, this court has said in *Canal Company* v. *Clark* (13th Wallace) "in all cases where rights to the exclusive use of a trade-mark are invaded, it is invariably held that the essence of the wrong consists in the sale of the goods of one manufacturer or vendor as those of another; and it is only when this false representation is directly or indirectly made that the party who appeals to a court of equity can have relief."

It is, therefore, perfectly clear that both of these classes of marks or devices are protectible only on the ground of unfair competition, and that in giving one of them the name of "unfair competition" in contradistinction to the other, we are attempting to distinguish two things apart by a name which is equally applicable to both—as if we should

try to distinguish a horse from an elephant by calling the elephant a quadruped. But the name unfair competition has become too well established for this purpose to be disturbed now. The term unfair competition is, however, a very broad and comprehensive term, including not only the two classes of marks or devices which I have already mentioned, but including many other things which have no specific relation to these classes—such, for example, as unfair preferences by common carriers, and unlawful combinations to the prejudice of a competitor. It will be understood that in using the term unfair competition during the course of this argument I refer only to the term as used in contradistinction to trade-marks, and in the sense in which it was so aptly stated by Mr. Justice Brown in *Coats* v. *Thread Company* as "unfair competition by means of *imitative devices.*" The two classes of marks or devices to which I have referred are so closely similar in their general objects and results that it becomes necessary to carefully and closely consider the distinctions between them; and, if possible, to define them so that they will not be confounded with each other. I will, therefore, take up first the subject of trade-marks, and afterwards the subject of unfair competition by means of imitative devices, and then compare the two together to see if we cannot arrive at a clear understanding of the exact legal nature of these two things; and first, trade-marks.

More than one hundred and fifty years ago, at all events before the decision of Lord Hardwicke in *Blanchard* v. *Hill*, A. D. 1742, manufacturers and merchants who had obtained or expected to obtain the favor of the public for a particular article manufactured or put upon the market by them, and who desired to hold their trade in such article, conceived the plan of placing upon their goods a *private mark*, by means of which the public should be able to dis-

tinguish their goods from the goods of all others. These marks came to be known as trade-marks. Their office or function was to certify the goods as the genuine product of the proprietor of the mark. As Mr. Chief Justice Fuller expresses it in *Menendez* v. *Holt*, 128 U. S., such a mark is equivalent to the signature of its proprietor to a certificate that the goods are his goods, determined by him to possess a certain degree of excellence. In the language of Lord Justice James, in *Thorley's Cattle Food Co.* v. *Massam*, "it (trade-mark) indicates this, a warranty that the article to which it is attached has come from the particular manufacturer of the goods with which buyers have been hitherto pleased." The essential requisites of a trade-mark are that it shall be sufficiently specific or definite, and not merely descriptive; that at the time of its adoption it shall not be already in use by others on the same class of merchandise; and that it shall not be immoral or deceptive.

Since the original adoption of the plan of using private marks or trade-marks upon goods, they have gone into use all over the world; they are recognized in the jurisprudence of all civilized nations; they enter into a vast number of important commercial transactions between the citizens of different countries; they have even become the subject of numerous treaties between the leading commercial nations of the world for the purpose of mutually protecting trade-marks and the trade-mark rights of the citizens or subjects of such different countries. It is, therefore, highly important that the laws and the courts of the different commercial nations should define trade-marks substantially alike. It would be very unfortunate if these nations should differ from each other as to the essential legal characteristics of trade-marks, which enter so universally into the transactions of commerce at the present day. Fortunately, up to

this time, they have not disagreed as to the definition of trade-mark; but if some one nation, for example, the United States, should inject into the definition of "trade-mark" a qualification or requisite not recognized by other nations—for example, if we should make an arbitrary rule that geographical names can under no circumstances be used as trade-marks, basing that rule upon the simple fact that they *are* geographical names, we should immediately come into conflict with the definition given by the other nations, who recognize no such arbitrary qualification of the general rule.

I have carefully examined into the definition of trade-marks, as given by the laws of the principal commercial nations of the world, and with the following result:

In France, the committee which reported the Act of June 23, 1857, came face to face with this question of the definition of the term "trade-mark," and dodged the question, saying that, in their judgment, the matter ought to be left to the courts for determination. Their language was as follows: "In what do marks consist? The plan of the law, avoiding the peril of a definition, has remained mute in this respect." The Council of State, to which this report was submitted, did not agree with the committee on this point, but constructed a definition of their own, in the following terms: "The mark *is any sign serving to distinguish the products of a manufacturer, or the objects of commerce,* and the law cannot enumerate the signs." After the passage of the act, the question of the definition of "trade-mark" came up in the case of *Lalande et al.* v. *Appel et al.*, and the Court of Paris therein defined a trade-mark broadly as "*the characteristic sign by means of which commerce distinguishes the products of one's manufacture, or the objects of his commerce.*" I desire to call your Honors' attention to one remarkable character-

istic of the definition of trade-mark thus given by the French Council of State and by the French courts, namely, that *they do not define the term trade-mark by reference to the physical characteristics of the mark*—so long as it is a *sign*, that is sufficient—it may be any kind of a sign—it does not seem to matter what it is; but they define the term *by reference to its functions*. Both the definition adopted by the Council of State and that adopted by the Court of Paris defines a trade-mark in terms of its function. If it be a sign, and perform the duty of distinguishing the products of a manufacturer or the objects of his commerce, it is a trade-mark. The German definition of trade-mark given in Klostermann on Trade-Marks, a German authority, is equally as broad as the French. The German statute, in force since May 1st, 1875, defines trade-marks as "marks which are to be used on the goods themselves, or on the packing, to distinguish their (the traders') goods from those of other traders." Your Honors will observe that the definition given in the German statute, like the French definition, defines trade-marks not by their physical characteristics, but solely by their functions. And this peculiarity runs through the definitions given by all nations. For example, the Belgian Trade-Mark Act of April 1, 1879, defines a trade-mark almost in the exact words of the French act, as *every sign* serving to distinguish the products of an industry, or the objects of a commerce—the French saying *"any sign,"* the Belgian definition saying *"every sign,"* serving the purpose referred to. The Brazilian law of Oct- 23, 1875, defines a trade-mark in substantially the same way, but in language a little more verbose than that of the French, German and Belgian definitions. Substantially the same is true of the British and Canadian statutes. The Austrian statute of December 7, 1858, defines a trade-mark as "the particular signs

serving to distinguish in commerce the products and the merchandise of one manufacturer from the products and the merchandise of another." The Danish law of July 2, 1880, describes a person's trade-mark as "the mark or marks which he affixes to his merchandise, or the packing thereof, to distinguish the same from merchandise made or sold by others." Under the Dutch Trade-Mark Act of May 25, 1880, a person's trade-mark is defined as "a mark to be placed upon his goods, or upon the wrappers thereof, for the purpose of distinguishing such goods from the goods of others." The Italian and Roumanian statutes give substantially the same definition as that of the French Council of State, their words being translatable into precisely the same terms as those used in the definition given by the Council of State. The Russian code gives no definition of "trade-mark," but provides that the name of the proprietor and his place of business shall be attached to the trade-mark. Sweden, Norway, Japan, and the United States have given, in their statutes, no definition of the term. The clearest statement found in any American decision is that of the Supreme Court in *McLean* v. *Fleming*, 96 U. S., 245, 250, which is as follows:

> "Where a party has been in the habit of stamping his goods with a particular mark or brand, so that the purchasers of his goods having that mark or brand know them to be of his manufacture, no other manufacturer has the right to adopt the same stamp."

This statement accords in every substantial respect with the definition given by all foreign nations whose statutes I have just referred to. I have been unable to find anything to the contrary. None of our treaties undertakes to define the term "trade-mark," but they all leave it to the law of nations; and, as there defined, it is, in the language of the French Council of State, *"any sign serving to dis-*

tinguish the products of a manufacturer," regardless of what the special nature or physical characteristics of that sign may be. The best definition to be found in the English decisions is that given by Lord Justice James in *Thorley's Cattle Food Co.* v. *Massam.* Before I read the language of Lord James, I desire to call your attention to the peculiar nature of the trade-mark which was before him, it consisting in the words "Thorley's Food for Cattle," certainly a pretty strongly descriptive expression, but which was nevertheless held to be a lawful trade-mark. Lord James said:

> "The words 'Thorley's Food for Cattle' would indicate, according to my view of the case, to a purchaser, this: You have always had a very good article called 'Thorley's Food for Cattle;' any article bearing that name is to you a guarantee that it comes from the same place from which that has come with which you have hitherto been well satisfied and content. That in truth is the meaning and object and result of a trade-mark. That is what a trade-mark is; it does not signify what it is—whether it is a name, or a symbol, or a fancy name, *or anything else.* It indicates this, a warranty that the article to which it is attached has come from the particular manufacturer of the goods with which buyers have been hitherto pleased."

These various authorities give us a clear understanding of the meaning of the term "trade-mark;" now let us turn to the other class of "imitative devices" which, in contradistinction to trade-marks, are known as "unfair competition" devices, and see what is the distinctive characteristic of devices of that class.

A manufacturer or merchant may not choose to adopt a specific trade-mark; on the contrary, he may, and often does, elect to fashion or dress up his goods or their packages so as to give them a unique and distinctive *general*

appearance by which the public can distinguish them from goods of the same class put upon the market by other manufacturers or dealers. Such distinctive general appearance is not a trade-mark—it is not a certificate or warranty of genuineness—it has no other function than to enable the public to become familiar with the *"looks"* of his goods, and to recognize one of his articles or packages by its looks as a whole, just as we distinguish an oak tree from an elm, or a pig from a pup, or as we recognize an acquaintance on the street, not by any specific mark placed upon him for purposes of identification, but by the general combination of features which go to make up his outward and visible personality.

The courts were quick to perceive that when a party has chosen to give his article, as a whole, a unique and distinctive general appearance, whereby the public are able to recognize it by its looks, it would be unfair to allow his competitors to copy or imitate such general appearance and thereby to deceive the public as to the identitiy of the goods and to steal away a portion of his trade; and they commenced to prohibit it on the ground of unfair competition in trade. Cases multiplied, and the term finally came to be generally used to distinguish this class of cases from trade-mark cases.

So much for "unfair competition." Now let us compare the two classes, trade-marks and unfair competition devices together, and point out exactly wherein they differ from each other.

In my printed brief (pp. 29-31) I pointed out two clear distinctions between these two classes of marks or devices, namely:

1. That "trade-marks" are confined exclusively to *vendible goods* on the market for sale; whereas, unfair competition devices are not, but are equally applicable to

other kinds of property. Thus, in a case cited in my brief which was decided by Lord COTTENHAM, an omnibus company had painted its carriages in a peculiar way, and clothed its servants in a peculiar livery, to attract custom; a rival concern imitated these devices, and his lordship enjoined the proceeding. In other cases cited in my brief, certain hotels, bearing specific names, had painted those names upon the vehicles which they sent to the railway stations to receive and deliver passengers; rivals who had no right to use these names imitated them to draw away patronage, and the courts enjoined them. In an Ohio case, a merchant, for the purpose of attracting attention to his store and enabling customers to distinguish it readily from other stores along the same block, constructed it with a peculiar front of original and unique design and ornamentation; a rival alongside imitated this store-front to divert trade into his own establishment, and the courts enjoined him. Those cases were not trade-mark cases, because the store-front, hotels, omnibuses and servants were not vendible goods on the market for sale, and protection, therefore, was necessarily based solely on the general equity powers of the courts to prevent unfair competition in business. This is the first distinction which I note between trade-marks and unfair competition devices.

2. The second distinction is one to which I have already adverted, namely, that a trade-mark is a specific mark or sign, whereas, the corresponding unfair competition devices consist merely of general resemblances—of imitating the general appearance or looks of the article of merchandise. If a party adopts a specific mark for his goods, irrespective of their general appearance, he must be protected, if at all, on the ground of trade-mark; if he adopts a unique and peculiar general appearance for his article as a whole, irrespective of any one particular mark upon it,

then he cannot be protected on the ground of trade-mark, but may be on the ground of unfair competition.

3. Since the printing of my brief, it has occurred to me that there may be still another legal distinction between trade-marks and unfair competition devices, namely, that trade-marks are a species of property, assignable and inheritable like other personal property; whereas, it is difficult to see how the mere *looks* of an article of merchandise can be assignable or inheritable—such a thing is too indefinite and vague, in my judgment, to be the subject of *property*—it consists in a mere impression upon the eye—how can a mere impression be property? I have known many trade-marks to be assigned, but never knew anybody even to attempt to assign or convey a mere appearance. If a competitor undertakes to imitate an appearance, for purpose of fraud or deception, he may be enjoined from committing the fraud; but it does not follow that the appearance itself can be regarded as an article of property. If I am right in this, there are *three* distinctions instead of two, between trade-marks and unfair competition devices; and I would like to have the court note and consider this third distinction, in connection with the two discussed in my printed brief.

The distinctions to which I have adverted are not arbitrary nor technical, but are founded upon reason, principle and common sense—they exist in the nature of things. They are simple and clear, and a child can understand them. They show beyond question that there are really two classes of cases, trade-mark cases and unfair competition cases, and that in treating them as separate classes of cases the courts have not made any mistake, nor adopted any merely fanciful theory. They actually exist, and should be everywhere judicially recognized.

But in recent years, some of the lower courts, while as-

suming to recognize them as separate classes by using the terms "trade-mark" and "unfair competition," in contradistinction to each other, have muddled the whole subject to such a degree that if we place any reliance upon their decisions the law has become absolutely unintelligible. A distinguished lawyer recently said to me that when a client came to him with a trade-mark or unfair competition case and asked his counsel, he was, as an honest man, obliged to tell him that nobody could understand the law as it is now expounded by the courts; that they were all at sea, and the whole subject involved in inextricable confusion and doubt; —and he did not put the facts any too strongly. I want to digress a moment from my argument, and assume the character of a friend of the bar and the lower courts—and the public also—in asking this court to take the opportunity presented by the present case to make an authoritative pronouncement on this subject and clear up the law relating to the legal distinctions between trade-marks and imitative unfair competition devices. It is high time that this should be done, and this court can render no greater service to the bar, the inferior courts and the public than by making such a pronouncement. I doubt whether your Honors can fully appreciate the gravity of the matter to which I now refer, for you probably have had no occasion to notice it before, and I feel that no words of mine can do the subject justice, or give you any idea of the hopeless entanglements and inconsistencies into which some of the lower courts have fallen in recent years. The only way by which I can give you a clear appreciation of the situation is that of citing some of these inconsistent decisions, so that you can see for yourselves—and I will begin by calling your attention to the most recently-reported case which I find on the subject, *Fuller* v. *Huff*, reported not a month ago, on November 13, 1900, in 104 Fed., 141. That case was de-

cided by no less a court than the United States Circuit Court of Appeals for the Second Circuit, Judges *Wallace, Lacombe* and *Shipman* sitting, and Judge *Shipman* delivering the opinion of the court. From a court composed of judges of such great experience, ability and eminence as jurists, we should reasonably have expected a clear statement of the law; but we do not find it in the report. I do not intend, however, to comment upon the case, but only to read the main facts and point out what was decided and on what grounds. Your Honors can make your own comments.

The essential facts, as appears from the report, were as follows:

Twenty-five years ago, the complainant in that case began to manufacture a food preparation, to which he gave the name "Health Food;" and he established a company in New Jersey, under the name of the "Health Food Company," to carry on such manufacture. The article was acceptable to the public, and a great and profitable business resulted. Eighteen years afterwards, when the complainant's goods had become known all over the country under the name of "Health Food," a Michigan party established another company, to which he gave the name of the "Sanitarium Health Food Company," and commenced to put on the market another food preparation, to which he gave the same name, "Health Food," marking that name upon his packages. A suit ensued, and went up to the Court of Appeals. That court held (104 Fed., p. 143) that

> "The term 'Health Food' means healthy food, or health-producing food, and is therefore descriptive of quality, and cannot be a technical trade-mark, either with or without the word 'Company.'"

The logic of that is, of course, that, the term being descriptive, everybody had a clear right to use it on an ar-

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ticle of food that was really health-giving, and nobody in this country could be enjoined from such a clear right to use the English language in its ordinary descriptive sense. Assuming the court's premises, this conclusion seems to follow inevitably. But, on the very next page, the court proceeded to order an injunction against the defendant enjoining him from exercising this clear right—and they based the order upon the allegation of "Unfair Competition!" In making the order they explicitly stated that there had been no simulation of the appearance of the complainant's packages—nothing but the use of the words "Health Food," which, on the assumption that they were descriptive, everybody had a right to use. They say:

> "It is to be observed that the frequent insignia of an intent to deceive, viz., the copy or the imitation, more or less close, of the dress of the competitor's packages, are *absent in this case.*"

Then they go on to state the ground upon which they order the injunction, and in so doing *they give, almost in terms, the very definition which has been accepted by all civilized nations as the legal definition of trade-mark,* and make it the ground for enjoining the defendant, not for trade-mark violation, but for unfair competition, using that term in contradistinction to trade-mark! Their language is:

> "But if a trade-name has been *so identified with the business of a manufacturer as to inform the public that the name upon goods means that they are the product of that person,* and another subsequently adopts and displays the name, it is not material that he has not also adopted the particular dress in which his predecessor has presented his goods!" etc., etc.

I have cited in my printed brief, pp. 55 to 57, two other cases of a similar character, but which time forbids me here to discuss; and I might have cited a good many others. I have only time to add that, if these cases state

the law correctly, then it is no wonder that nobody knows what the law is—that the whole subject is in a hopeless muddle—and that we are looking to this court to shed a clear light upon it. I now resume my argument in the case at bar.

If I am right as to the legal distinctions between trade-marks and imitative unfair-competition devices, then it follows irresistibly that in the exclusive use of the word Elgin to distinguish its watches from those of other manufacturers, the plaintiff must be protected, if at all, upon the ground that such word has become its *trade-mark*, as I have stated in that part of my printed brief to which brother Banning referred in his opening argument (bottom of p. 36 of brief). The word "Elgin" has nothing to do with the general appearance of the watches. It is sometimes marked in small letters upon the dial-plate, but is quite as often, perhaps, engraved upon the inside plate that supports the works, or upon the inside wall of the case lid. Wherever it is, it has no effect upon the appearance of the watch—it must be sought for by closely examining the dial-plate or by opening the watch and looking into it. If found there it means that the Elgin National Watch Company has certified that watch as one of its own manufacture. Watches made by different manufacturers cannot be distinguished from each other by their external appearance. All watches look alike; and to know of whose make they are you must examine the maker's name or trade-mark upon them. The word Elgin has long been registered as our trade-mark for watches; and if it be a lawful trade-mark then the federal courts have statutory jurisdiction of the present suit, irrespective of the residence of the parties.

"But," says my friend on the other side, "the word 'Elgin' cannot be appropriated as a trade-mark, because it

is a geographical name—no geographical name can be a trade-mark."

On this proposition I take a square issue with him. I admit, at the outset, that, as a general rule, geographical names cannot be appropriated at trade-marks, and that there are *some* geographical names that cannot, under any circumstances, become trade-marks *for certain articles*. Whenever an article is, in whole or in part, the natural product of a certain region, and possesses peculiar qualities which it owes to the water, soil, or climate, or to the mineralogical or geological character of that region, or to the peculiar modes of manufacture prevailing there, then the geographical name becomes descriptive of the article, indicating the peculiar qualities referred to; and it would be manifestly wrong to allow any one producer in that region to appropriate the descriptive geographical expression of quality exclusively to himself. Nearly every case cited in Brother Banning's brief is a case of that kind; and he might have saved himself the trouble of citing them, for nobody questions the impropriety of allowing *such* geographical names to be appropriated as trade-marks for *such* products. The Lackawanna coal case (*Canal Co.* v. *Clark*) affords an excellent illustration of the subject. In that case, coal from the great Lackawanna seam, that extends many miles in Pennsylvania, and is mined by many different operators, had become well known all over the country for its peculiar and excellent qualities. The coal required no description other than the words "Lackawanna coal." Mention those words and anybody who knew anything about the coals of this country would instantly understand all about the peculiar characteristics of the coal referred to—he would see it in his mind's eye, would know its lustre, as distinguished from the dead black color of many other coals, would know its hardness, its weight, its heat-giving and steam-generat-

ing power, the degree of heat and draft necessary to bring it to incandescence, the length of time during which it would continue to burn, the uses for which it is most valuable, even approximately its cost in the market. A whole volume of description, omitting the word "Lackawanna," would not give him one-half of the specific and reliable information that he would get from the single word "Lackawanna." Under such circumstances, the word was intensely and peculiarly descriptive, and, of course, it would not do to let one producer in that region monopolize the word, to the injury of all other producers who were equally entitled to use it. The expressions used by this court in *Canal Co.* v. *Clark* are to be interpreted in the light of these facts—the court had in view this kind of geographical name, and its expressions should be construed with reference to the class of names involved in the suit.

Let me give another illustration—this time an imaginary case. Suppose that some producer of oranges in Florida were to attempt to appropriate the name "Florida Oranges" exclusively to his own product, could the courts allow it? Certainly not. Even as I now mention the name, I have brought into your Honor's minds a mental image of the fruit in question—you see it in your mind's eye—you instantly know all of its external and internal peculiarities —a volume of 200 printed pages, omitting the word Florida, would not be able to give you so complete and clear a description of that fruit as you receive from the simple words "Florida Oranges." But now let me imagine another case: Suppose that I am a fruit trader, importing and exporting all kinds of fine fruit. I take great pains with my fruit, selecting it with the utmost care, rejecting everything not of the best quality, and packing my goods with great skill so as to preserve them from premature decay. I desire a

trade-mark for my oranges, by which people everywhere may know them to be of my selection and to be certified by me as of the best; and I adopt the word "Labrador" for that purpose, or the word "Klondike," or "Spitzbergen," or "Arctic," or any one of ten thousand geographical names found in regions too far North to be adapted to the production of oranges—can anyone suggest a tenable reason why I should not be allowed to use such name as a trade-mark for my oranges? To ask the question is to answer it.

But this simple illustration shows at a glance that the real objection is not to the use of a geographical name as a trade-mark, but to the use of a *descriptive* geographical name implying *quality*, or else employed in the "directory" sense as giving the address of the producer. We must ascertain the sense in which the name is used, and the purposes for which it is used, before we can say whether it is proper for a trade-mark or not. To adopt an arbitrary rule that a geographical name, simply because it *is* a geographical name, and without any other reason, shall be excluded from the category of trade-marks, would be to adopt an unreasonable rule, and therefore a rule violative of the very foundation principles of the law.

Now, it often happens that a geographical name may come to have different significations—for one purpose it may have one meaning, and for another purpose another meaning. *As applied to a particular article of merchandise*, it may, by long use, have come to denote a particular manufacturer, that party upon whose goods alone it has for years been found; and when it acquires this *secondary meaning*, it may be a lawful trade-mark, *because it fulfills exactly the functions of a trade-mark*. It becomes "a sign, serving to distinguish the product of one manufacturer from those of other manufacturers." This principle of law is, I think, fully established, not only by rea-

son and sound sense, but by a great array of cases of the highest authority, some of which I will now refer to.

The first case which I will cite is the celebrated Stone Ale case, *Thompson* v. *Montgomery*. Your Honors are already familiar with that case, but I trust that you will permit me briefly to refer to its controlling facts, which were as follows:

The complainants and their predecessors had for a hundred years been brewing and selling at Stone, a town of 6,000 or 7,000 inhabitants in England, a superior ale, marked and known as "Stone Ale." The defendant, an innkeeper at Liverpool, had used and sold this ale and knew its popularity; and he established a brewery at Stone and sold his ale as Stone ale. The court found that he had appropriated the name by reason of the great popularity which the complainants and their predecessors had given it, and enjoined him from its further use; and the House of Lords (A. D. 1891) affirmed this action. In delivering their opinions in the House of Lords, Lord Herschell said:

> "It appears to me idle to argue in opposition to the injunction that it is against the public interest to permit a monopoly of the use of the name of a town for trade purposes when the only effect of allowing its use by the person and for the purpose sought to be restrained would be to deceive the public."

Lord Watson said:

> "I am of opinion that any attempt by the defendant to sell ale or beer of his own brewing as 'Stone Ales' or as 'Stone Ale' would constitute an infringement of *the plaintiff's right.*"

Lord Hannen said:

> "Here the evidence has satisfied Chitty, J., and the Court of Appeal, and I think ought to satisfy your lordships, that the respondent had acquired by long

usage the names of 'Stone Ale' and 'Stone Ales;' that that name does not merely convey the idea that the beer was manufactured at Stone, but that it was ale of the respondents' manufacture."

I call the particular attention of the court to the language used here by Lords WATSON and HANNEN, which shows conclusively that those great judges considered the words Stone Ale and Stone Ales to have become the property, and therefore the *trade-mark*, of the plaintiff. Lord WATSON said that an infringement of the mark would constitute an infringement of *the plaintiff's right;* Lord HANNEN said that the plaintiff had *acquired* by long usage the names of Stone Ale and Stone Ales. This language is not consistent with any other theory than that of trade-mark.

The next case to which I will call your Honors' attention is the equally celebrated Glenfield Starch case, *Wotherspoon* v. *Currie,* 5 H. of L. In that case the plaintiff had long been manufacturing starch at Glenfield, and his starch had become widely known as "Glenfield Starch." The defendant went to Glenfield and commenced manufacturing starch there and selling it as "Glenfield Starch." The courts found that he was putting the word Glenfield on his labels fraudulently, with the intention of making out that his starch was the starch of the plaintiff, who had by long use acquired the right to the name "Glenfield Starch," and enjoined him from the further use of the name. In my printed brief I inadvertently mis-stated one fact, namely, that the H. of L. affirmed the decree. The fact is, that the intermediate court, the Court of Appeal, decided in favor of the defendant, and that the H. of L. *reversed* that decree. In announcing his opinion, Lord *Westbury* said:

"I take it to be clear from the evidence that long

> antecedent to the operations of the respondent the word 'Glenfield' had acquired *a secondary signification or meaning in connection with a particular manufacture.* In short, it had become *the trade denomination of the starch made by the appellant.* It was wholly taken out of its ordinary meaning, and in connection with starch had acquired that peculiar secondary signification to which I have referred. *The word 'Glenfield,' therefore, as a denomination of starch, had become the property of the appellant. It was his right and title in connection with the starch.*"

Brother Banning, in his oral argument, asserted and repeated that not a solitary instance could be found where a defendant who was doing business in a town was enjoined from using the name of the town in connection with his goods. *But here are two such instances,* in each of which both the plaintiff and the defendant were carrying on business in the same town, and yet the defendant was enjoined from using the name of the town in connection with his goods, on the ground that the name had become the lawful trade-mark of the plaintiff for that particular class of merchandise; and these two decisions, both made by the House of Lords, are, of course, of the very highest authority. They are not based upon the theory of unfair competition, but on the express ground that the name on that class of goods had become the *property* of the plaintiff—therefore his trade-mark—and that the defendant was using the name for the purpose of drawing away the plaintiff's trade.

In *McAndrew* v. *Bassett,* 10 Jur., the plaintiffs had for about six weeks been marking their liquorice with the word *"Anatolia,"* the name of a province in Asia Minor. It does not appear from the report whether the liquorice was produced in the province or not. The defendants afterwards began to stamp their liquorice with the same word. The court held that the name was a valid trade-mark, and

enjoined the defendants from using it. Lord Westbury said:

> "An element of the right to the property in a trade-mark may be represented as being the fact of the article being in the market as a vendible article, with that stamp or trade-mark, at the time when the defendants imitate it. The essential ingredients for constituting an infringement of that right probably would be found to be no other than these: First, that the mark had been applied by the plaintiffs properly, that is to say, that they have not copied any other person's mark, and that the mark does not involve any false representation; secondly, that the article so marked is actually a vendible article in the market; and, thirdly, that the defendants, knowing that to be so, have imitated the mark for the purpose of passing in the market other articles of a similar description."

His lordship continues:

> "Property in the word (Anatolia) for all purposes cannot exist; but property in that word, as applied by way of stamp upon a particular vendible article, as a stick of liquorice, does exist the moment the article goes into the market so stamped, and there obtains acceptance and reputation whereby the stamp gets currency as an indication of superior quality, or of some other circumstance which renders the article so stamped acceptable to the public."

Brother Banning intimated, in his argument, that if there is any law to be found that warrants the enjoining of a party, under any circumstances, from using on his goods the name of the place where they are produced, it must be found in some foreign country; for, he says, there is no such law in this country. Here, again, he is in error. It is to be found in the laws of all countries alike. In all of them, a geographical name is held to be a trade-mark whenever it has acquired a secondary signification distinguishing the goods of a manufacturer or trader from those of all other manufacturers or traders. That principle

necessarily follows from the very definition of trade-mark which I have shown to be univesally accepted by all civilized nations; for, in such a case, the name becomes a "sign serving to distinguish the products of one manufacturer from those of others." It performs the function of a trade-mark; and trade-marks, as we have seen, are defined in terms of their function, and not of their mere physical characteristics.

In a recent case in this country, *Gage-Downs Co.* v. *Featherbone Corset Co.*, 83 Fed. Rep., 213, cited on pages 40 and 41 of my printed brief, Judge Severens reviews this whole subject of geographical names, stating that he had extensively examined the reported adjudications upon it, and coming to the conclusion that while geographical names are not, as a general rule, appropriable as trade-marks, yet that the use of the name of the place may, under circumstances, be such as to denote to the eye and mind of the public the name of the person who has, perhaps, by long continued business in this place, or long appropriation of that name, and being the only person there who has thus appropriated and used that name, produced goods which have gained their favor.

> " In such circumstances," says he, "the name of the place may acquire a *secondary signification*, and become, instead of denoting the place where the goods are manufactured, *a mark denoting the manufacturer*, and in such case, and in the circumstance where the name has thus acquired a secondary signification, a party may use it, and may be entitled, possibly, to its exclusive use. In such a case it depends entirely upon the proof, and, if it appears that the name is used for the purpose of denoting where the goods are made—if this is the primary object—then it is not subject to be appropriated by any one person resident there. All other residents have the like privilege of use. But, if the circumstances of the case show clearly that

> the use of that name is a means of appropriating the business advantages, good will, and trade-name of the complainant, that is not lawful."

In *American Waltham Watch Co.* v. *U. S. Watch Co.*, cited in my brief at the bottom of page 41 and on page 42, it was held that the word "*Waltham*" upon watches made by the American Waltham Watch Company was entitled to be protected against unlawful use upon other watches. In that case, as I remember it, the defendant had moved to the town of Waltham, or had established itself there, for the purpose of using the name which had long been famous for the manufacture of watches. Both parties, therefore, were residents of the same place; but the Supreme Court of Massachusetts did not hesitate to enjoin the defendant from using the geographical word upon its watches. A like ruling was made by Judge Townsend in *American Waltham Watch Co.* v. *Sandham*, U. S. Cir. Ct., Southern Dist. of N. Y. (A. D. 1899), 96 Fed., 330. In that case also, the defendant had moved to Waltham for the purpose of getting its name upon its watches; but he also was enjoined. Both Judge Knowlton and Judge Townsend held that the word Waltham had acquired a secondary signification in connection with watches denoting a particular manufacturer. This was also the substance of Judge Showalter's reasoning in the case at bar.

In *Lea* v. *Wolff*, 13 Abb. Pr., N. S., 389, the court said:

> "Where words or names are in common use, no one person can claim a special appropriation of them to his peculiar use; but where words and the allocation of words have, by long use, become known as designating the article of a particular manufacturer, he acquires a right to them as a trade-mark, which competing dealers cannot fraudulently invade. The essence of the wrong is the false representation and deceit. When the improper design is apparent an injunction should be issued.

> "As a general rule, geographical names cannot be appropriated as trademarks; but the rule has its exceptions, where the intention in the adoption of the deceptive word is not so much to indicate the place of manufacture as to encroach upon the previous use and popularity of another's trade-mark."

In my printed brief, commencing on page 43, I have cited a number of other cases, some of them American cases, where geographical names have been upheld as trademarks. I have not time to discuss these cases orally. But one of them is so exactly and strongly in point that I beg leave to call the particular attention of the court to the reasoning of the judges in that case. I refer to the case of *Metcalf* v. *Brand*, 86 Ky., 331 (cited on page 44 of my brief). In that case the question arose whether the word "Lexington," the name of a city in Kentucky, had become a lawful trade-mark for manufactured mustard. It does not appear whether the mustard was produced in the neighborhood of Lexington or whether it came from some other region. In deciding the case the court said:

> "The name of the place where it is made serves in no possible way to indicate its quality or composition, and where the manufacturer has given it a geographical name, which he was the first to use in connection with the article, it seems to us that it may, from long use in such connection, acquire a secondary meaning, and, instead of designating the place where the article is made, indicate its origin, or that it is the product of a particular manufacturer, or made according to his method. When this is the case, it becomes, in our opinion, a valid trade-mark. The name is no longer used to indicate the place where they are made, but becomes the name of his goods. It gives notice that he is the maker. It, by reason of first and continued use, and association with the name of the article made or sold by him, acquires an understood reference to him. It is the trade denomination of his article. It acquires a secondary meaning in connection with a particular manufacture."

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There is another very illustrative case, from the House of Lords, which, although not involving a geographical name, shows that a merely *descriptive* term may become a valid trade-mark by acquiring a secondary signification denoting the goods of a particular manufacturer. I refer to the case of *Reddaway* v. *Banham,* reported in the appeal cases of 1896, cited in my printed brief, page 48. In that case, Reddaway began the manufacture of belting from a yarn that had before been used in making carpets. He gave his product the name of "Camel Hair" belting, marking his goods with the name "Camel," or the figure of a camel, or both together. It turned out that this belting was peculiarly adapted to resist the influences of hot and moist climates, such as those of India and other tropical countries. A great trade in these goods resulted, especially in tropical countries. The defendant infringed by making belting of the same material and selling it under the same name; and a suit ensued. When the name was first adopted it was not known that the material was actually made of camel's hair; but years afterwards it was discovered that such was the fact. The jury found in favor of the plaintiff. The House of Lords held that the term had acquired a secondary signification, meaning Reddaway's belting, and enjoined the defendant from using it. Of course, Banham had a clear right to use the yarn—that was free to the use of everybody—and in using it, his belting would necessarily, and therefore lawfully, look exactly like Reddaway's belting. But the House of Lords held that, even if he had a right to use the *material,* he had no right to use the *name,* which, by acquiring a secondary signification, had become to be known everywhere as denoting Reddaway's manufacture. The defendant's counsel stoutly argued that the words "Camels-Hair Belting," used by the

defendant, were the simple truth; but Lord Macnaghton disposed of that contention in the following language:

> "Can it be said that the description, 'camel's hair belting,' as used by Banham, is the simple truth? I will not call it an abuse of language to say so, but certainly it is not altogether a happy expression. The whole merit of that description, its one virtue, for Banham's purposes, lies in its duplicity. It means two things. At Banham's works, where it cannot mean Reddaway's belting, it may be considered to mean belting made of camel's hair. Abroad, to the German manufacturer, to the Bombay mill-owner, to the up-country native, it must mean Reddaway's belting—it can mean nothing else. I venture to think that a statement which is literally true, but which is intended to convey a false impression, has something of a faulty ring about it. It is not sterling coin. It has no right to the genuine stamp and impress of truth."

These cases are very instructive. They show, beyond question, that there is no arbitrary or technical rule governing the admission of names or marks into the category of trade-marks; that, under proper circumstances, a geographical name, or even a word or phrase accurately descriptive of the quality of the goods, may acquire the legal character and standing of a trade-mark; in other words, that, in the language of Lord James, already referred to, it "does not signify what it is—whether a name, or a symbol, or a fancy name, *or anything else*"—the real and only true test being that given by this court in *McLean* v. *Fleming*.

Brother Banning, in his argument this morning, intimated that in trade-mark cases it is not necessary to prove fraud, whereas, the opposite is true of cases in unfair competition. On this point, I do not assent to his views, but I have not time to argue the point here. I have fully answered this proposition in my printed brief, commencing

near the bottom of page 33 and continuing to near the bottom of page 36; and I submit that question upon the arguments contained in my printed brief.

I come, now, to the authorities relied upon by the counsel for the appellees. I have not time to consider all of them. Nearly all of them are, as I have already said, cases where a geographical name has been attempted to be used as a trade-mark for articles which are in whole or in part the natural products of a certain region and derive their peculiar qualities from the climate, soil, water, or mode of manufacture prevailing in that region. In all these cases, therefore, the geographical name is essentially descriptive. But there are four cases cited by brother Banning, to which I will briefly refer, namely:

Columbia Mills v. *Alcorn;*
Glendon Iron Co. v. *Uhler;*
Elgin Butter Co. v. *Elgin Creamery Co.,* and
Candee, Swan & Co. v. *Deere & Co.*

In *Columbia Mills* v. *Alcorn,* the word "Columbia" was claimed as a trade-mark for *flour.* It indicated that the flour was American flour, and therefore that it had those qualities which distinguish American or Columbian flour from foreign flour. The term "Columbia Mill" was already in use, in numerous places, long before the plaintiff appropriated it. At least sixty or seventy years ago, Mr. James S. Welch, of Georgetown, D. C., owned and operated under the name of the Columbia Mill, a large flour mill whose reputation was known all over the United States. At the time when this court decided the Alcorn case, if the judges had gone over to Georgetown, they could have found that mill there on the river bank, where it had been operating for a lifetime, with a big sign bearing the words "Columbia Mill" painted upon it. The dilapidated remains of the mill are still there, bearing that

sign and name, and can be seen by any of your Honors if you should happen in that vicinity. I presume that there were a score of flour mills in this country, bearing the same name.

The court found that the word "Columbia" had long been in use by others as a brand for sacks and barrels of flour, before the plaintiff adopted it; that the geographical name "was intended to indicate the class, or quality, or character of the flour;" that it gave no information on the subject of origin, production, or ownership, or, in other words, that it had not acquired a secondary signification distinguishing the product of a particular manufacturer, but was used merely in a geographical sense, like the words "United States," "America," "Minnesota," or "Minneapolis;" and then Mr. Justice Jackson, who delivered the opinion of the court, remarked: "These merely geographical names cannot be appropriated and made the subject of an exclusive property." Certainly not, as I have already shown. A geographical name, used in a geopraphical sense, cannot be a trade-mark—it must have acquired a secondary meaning, distinguishing the product of a particular manufacturer or dealer, before it can become a trade-mark. This case is, therefore, not at all in conflict with my position here, but is in full accord with it.

In *Glendon Iron Co.* v. *Uhler,* the court found, as a fact proved, that the defendant had used the word only in its geographical sense, and not for the purpose of imitating the name used by the plaintiff. There was no secondary signification there, if this finding of fact was correct. That case is, therefore, not an authority against my position.

In the Elgin butter case, the case went off on demurrer to the bill or declaration. The plaintiff had declared simply that it adopted the name, and that the defendant after-

wards used it—without alleging fraudulent imitation or intention. The pleading was, therefore, clearly demurrable. But if the case had been decided on its merits, the word "Elgin" could not have been sustained as a trade-mark for butter or cream, a product for which that region was and is celebrated. The name was clearly descriptive of the natural peculiarities and excellencies of the local product.

In *Candee, Swan & Co.* v. *Deere & Co.*, if your Honors will refer to my printed brief, at the bottom of page 51, you will see the two marks which came into controversy there, and will see that there was no infringement of the plaintiff's brand, as a whole. The court found that when the plaintiff adopted its mark, others were already branding their plows with their name arranged in a curved line having beneath it, on a horizontal line, the words "Moline, Ill.," just as the plaintiff and defendant afterwards branded their names on their plows. The plaintiff admitted that it had no trade-mark in the words "Moline, Ill.," but only in the words "John Deere, Moline, Ill.;" and it was proved that the defendant had never used the words "John Deere, Moline, Ill." There was, therefore, no ground whatever for a decree against the defendant—a clearer case could not be imagined. In deciding the case, however, the court went out of its way to make some irrelevant remarks to the effect that geographical names could not be used as trade-marks, basing this statement expressly upon the decision of the English Court of Appeals in the Glenfield starch case—a decision which was afterwards, upon this very question, wholly overruled and reversed by the House of Lords, as we have already seen. There is, therefore, nothing in any if these cases, nor in any other reported case of any authority, which militates against my position. This court has never said, nor has

any other court which has given the subject careful consideration ever said, that under no circumstances can the name of a town become a trade-mark. On the contrary, a great array of authorities, headed by the great English judges from whom I have already quoted, are decidedly against that proposition.

It only remains for me to show that in the case at bar the word "Elgin," in connection with watches, had acquired a secondary signification denoting the Elgin National Watch Company, and that the defendants appropriated it for fraudulent purposes. On both of these points, the evidence is full and conclusive. I have not sufficient time left for a thorough consideration of these matters, which are fully set forth in my printed brief, commencing near the bottom of page 57, and ending near the bottom of page 72; but I will hurriedly review the leading facts, and leave the rest to the brief.

(Here Mr. Hill briefly reviewed the main facts set forth in the brief, pp. 57 to 79, in the order in which they are there presented—abridging the statements of the brief, and emphasizing some of the more important points made therein. This part of the oral argument, however, follows the printed brief so closely that it is not deemed necessary to print it.)